

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (CHFFA)
BOND FINANCING PROGRAM
EXECUTIVE SUMMARY

Supplement to:

STAFF SUMMARY AND RECOMMENDATION
Adventist Health System/West (“AHS/W”)

May 13, 2009

Resolution Number: 339

Due to recent improvements in the fixed rate tax-exempt bond market, AHS/W is requesting a change to the proposed structure for the Series 2009C bonds, from Variable Rate Demand Bonds backed by a Direct-Pay Letter of Credit from J.P. Morgan Chase Bank, to uninsured fixed rate bonds. In addition, AHS/W has elected to proceed with pricing and closing Series 2009C fixed rate bonds concurrently with the Series 2009A bonds, on May 14th and 20th, respectively. The bond documents for the revised Series 2009C will be modeled after the Series 2009A documents, assuming no bond insurance, and with a funded Debt Service Reserve Fund. The bonds will be structured as Serial Bonds with principal maturing from March 1, 2010 to March 1, 2021. There is expected to be significant debt service savings associated with this current refunding -- estimated to be in excess of \$17 million in total over the remaining life of the bonds, or approximately \$5 million on a net present value basis – based on market conditions as of May 7, 2009. The Series 2009C bonds are intended to be sold on a negotiated basis, with J.P. Morgan Securities Inc. serving as the underwriter. The proposed request will provide flexibility during this volatile market and will be contingent upon market conditions.